GOVERNMENT OF INDIA
MICRO, SMALL AND MEDIUM ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2676
ANSWERED ON:16.12.2008
ASSISTANCE TO COIR INDUSTRY
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Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

(a) whether a sample survey conducted by the Centre for Socio Economic and Environment Sciences has indicated that poor demand and low prices plague the coir industry in Kerala;

(b) the details of subsidy,if any,provided for raw material to the coir industry alongwith any other steps being taken by the Government to increase the productivity in the coir industry;

(c) whether Nationalized Banks are not providing loans to coir industry under Credit Guarantee Scheme for Rejuvenation,Modernization and TechnologyUpgradation of the Coir Industry(REMOTE) Scheme;

(d) if so,the details thereof alongwith the action taken by the Government in this regard;

(e) whether the Government has framed any credit policy for the coir industry; and

(f) if so,the details thereof?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF MICRO,SMALL AND MEDIUM ENTERPRISES (SHRI MAHABIR PRASAD)

(a) The Government of Kerala engaged Centre for Socio Economic and Environment Studies,Kochi to conduct a census survey of coir units and sample survey of coir workers during lune 2008.They have submitted the report to the Government of Kerala. The report indicates insufficient demand and low price realization as one of the problems in coir industry.

(b) The Ministry of Micro,Small and Medium Enterprises is not providing any subsidy for raw material to the coir industry under any of the schemes of Coir Board (the Board), a statutory body under the administrative control of this Ministry,In order to improve the productivity of coir artisans,the Board has been implementing various skill upgradation programmes including training and quality improvement programmes.The Board is also providing assistance to improve the production infrastructure and modernization of the traditional industry under the schemes of (1) Rejuvenation, Modernization and Technology Upgradation of Coir Industry (REMOT);(2) Scheme of Fund for Regeneration of Traditional Industries (SFURTI); and (3) Development of Production Infrastructure. The Research and Development activities of the Board are also contributing to a great extent to improve the productivity of the coir artisans.

(c) to (f) Under the Scheme of Rejuvenation, Modernization and Technology Upgradation of the Coir Industry, Government grant/subsidy is provided @ 40% of the Unit cost in the spinning and Tiny/household sector. 5% of the Unit cost is met by the` beneficiary and the remaining 55% is met by term loan from the Banks. Credit Guarantee Fund Scheme for Micro and Small Enterprises (CGMSE) provides guarantee cover upto 75% of the credit facility extended by the banks. For extending loan facility under the R15MOT scheme, some banks earlier had reservations about the applicability of CGMSE to the Self Help Groups and mortgaging of land on which the workshed is to be constructed as collateral for extending coverage under CGMSE. Necessary clarifications have since been issued to the concerned banks who have started releasing term loans to the beneficiaries under the scheme after signing MOUs with the Board. The Scheme envisages inflow of credit of Rs. 132 crore for the Coir industry during the XI Plan period from the banks.